

Subsec. (c)(1). Pub. L. 101-239, § 10204(b)(1)(E), inserted “(or, if the employer is a partnership, each partner therein)”.

Subsec. (c)(2). Pub. L. 101-239, § 10204(b)(1)(F), substituted “such employer (or, if the employer is a partnership, any partner therein) or the employee involved does not meet” for “such employer or the employee involved ceases to meet” in cl. (A) and inserted “(or, if the employer is a partnership, any partner therein)” after “such employer” in cl. (B).

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-296 effective Mar. 31, 1995, see section 110(a) of Pub. L. 103-296, set out as a note under section 401 of Title 42, The Public Health and Welfare.

EFFECTIVE DATE OF 1989 AMENDMENT

Section 10204(b)(2) of Pub. L. 101-239 provided that: “The amendments made by this subsection [amending this section] shall be effective as if they were included in the amendments made by section 8007(a)(1) of the Technical and Miscellaneous Revenue Act of 1988 (102 Stat. 3781) [Pub. L. 100-647].”

EFFECTIVE DATE

Section applicable to wages paid after Dec. 31, 1988, see section 8007(d) of Pub. L. 100-647, set out as an Effective Date of 1988 Amendment note under section 1402 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 42 section 402.

§ 3128. Short title

This chapter may be cited as the “Federal Insurance Contributions Act.”

(Aug. 16, 1954, ch. 736, 68A Stat. 429, § 3125; renumbered § 3126, Pub. L. 86-778, title I, § 103(q)(1), Sept. 13, 1960, 74 Stat. 939; renumbered § 3127, Pub. L. 99-509, title IX, § 9002(a)(1), Oct. 21, 1986, 100 Stat. 1970; renumbered § 3128, Pub. L. 100-647, title VIII, § 8007(a)(1), Nov. 10, 1988, 102 Stat. 3781.)

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-509, except as otherwise provided, effective with respect to payments due with respect to wages paid after Dec. 31, 1986, including wages paid after such date by a State (or political subdivision thereof) that modified its agreement pursuant to section 418(e)(2) of Title 42, The Public Health and Welfare, see section 9002(d) of Pub. L. 99-509, set out as a note under section 418 of Title 42.

CHAPTER 22—RAILROAD RETIREMENT TAX ACT

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AMENDMENTS

2001—Pub. L. 107-90, title II, § 204(e)(5), Dec. 21, 2001, 115 Stat. 893, added item for subchapter E.

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 3121, 3301, 3306, 3503, 5041, 6103, 6302 of this title; title 31 section 9502; title 42 section 1307; title 45 sections 358, 1207; title 49 sections 10501, 24301.

¹ Section numbers editorially supplied.

Subchapter A—Tax on Employees

Sec.

3201. Rate of tax.

3202. Deduction of tax from compensation.

§ 3201. Rate of tax

(a) Tier 1 tax

In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to the applicable percentage of the compensation received during any calendar year by such employee for services rendered by such employee. For purposes of the preceding sentence, the term “applicable percentage” means the percentage equal to the sum of the rates of tax in effect under subsections (a) and (b) of section 3101 for the calendar year.

(b) Tier 2 tax

(1) In general

In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to the applicable percentage of the compensation received during any calendar year by such employee for services rendered by such employee.

(2) Applicable percentage

For purposes of paragraph (1), the term “applicable percentage” means—

(A) 4.90 percent in the case of compensation received during 2002 or 2003, and

(B) in the case of compensation received during any calendar year after 2003, the percentage determined under section 3241 for such calendar year.

(c) Cross reference

For application of different contribution bases with respect to the taxes imposed by subsections (a) and (b), see section 3231(e)(2).

(Aug. 16, 1954, ch. 736, 68A Stat. 431; Aug. 31, 1954, ch. 1164, pt. II, § 206(a), 68 Stat. 1040; Pub. L. 86-28, pt. II, § 201(a), May 19, 1959, 73 Stat. 28; Pub. L. 88-133, title II, § 201, Oct. 5, 1963, 77 Stat. 221; Pub. L. 89-97, title I, §§ 105(b)(1), 111(c)(1), July 30, 1965, 79 Stat. 335, 342; Pub. L. 89-212, §§ 4, 5(a), Sept. 29, 1965, 79 Stat. 861; Pub. L. 89-699, title III, § 301(a), Oct. 30, 1966, 80 Stat. 1078; Pub. L. 89-700, title III, § 301(v), (vi), Oct. 30, 1966, 80 Stat. 1088, 1089; Pub. L. 93-69, title I, § 102(a), July 10, 1973, 87 Stat. 162; Pub. L. 94-93, title II, § 201, Aug. 9, 1975, 89 Stat. 466; Pub. L. 94-455, title XIX, § 1903(a)(6), Oct. 4, 1976, 90 Stat. 1807; Pub. L. 97-34, title VII, § 741(a), Aug. 13, 1981, 95 Stat. 347; Pub. L. 98-76, title II, §§ 211(a), 221, Aug. 12, 1983, 97 Stat. 419, 420; Pub. L. 100-203, title IX, § 9031(a), Dec. 22, 1987, 101 Stat. 1330-296; Pub. L. 101-508, title V, § 5125(a), Nov. 5, 1990, 104 Stat. 1388-285; Pub. L. 107-90, title II, § 204(c), Dec. 21, 2001, 115 Stat. 892.)

AMENDMENTS

2001—Subsec. (b). Pub. L. 107-90 amended heading and text of subsec. (b) generally. Prior to amendment, text read as follows: “In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to 4.90 percent of the compensation received during any calendar year by such employee for services rendered by such employee.”

1990—Subsec. (a). Pub. L. 101-508 substituted “applicable” for “following” before “percentage of the” and